



(Keith Goode :05 May 2019)

Gold : Black Cat Syndicate (BC8)

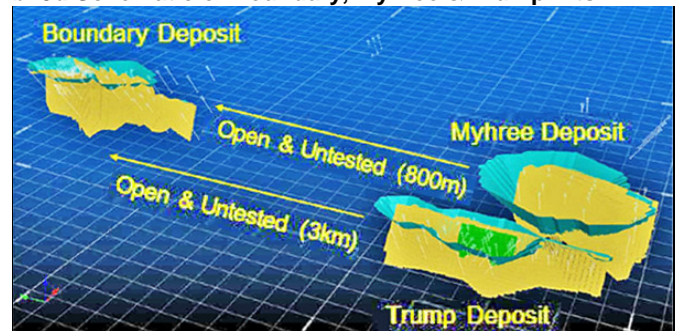
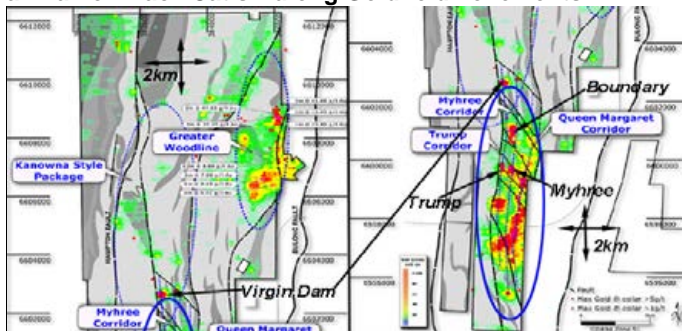
Focusing on Myhree - Boundary for Early Production :

April 2019 Site Visit to BC8's Bulong Goldfield

BC8 (at 20.5c) with a Mkt Cap of \$14.3m & \$3.5m Net Cash

This is an update report on Black Cat Syndicate's (BC8's) prospects in the ~18km long N/S strike length of most of the historic, forgotten, Bulong Goldfield only ~25km east of Kalgoorlie which ERA last visited in August 2018 and emailed a report dated 17 September 2018 (which is available on the www.eagleres.com.au and www.blackcatsyndicate.com.au [under media] websites). Since then, BC8's *understanding of the geology has undertaken another significant step forward*, identifying a sedimentary (polymictic) conglomerate rock unit (in diamond drill core), plus other mineralisation controls as it focuses on enhancing its mineral resources at Myhree/Trump & Boundary, and at Queen Margaret (QM) that were reported in February 2019.

Figure 1. Plan of BC8's Bulong Goldfield Tenements, and 3d Schematic of Boundary, Myhree & Trump Pits



ERAs April 2019 site visit focused mostly on Myhree, Boundary, Trump and Melbourne United (MU); while PW, Strathfield, Virgin Dam, Anomaly 38 and Woodline were also visited.

The key points from the site visit and recent announcements are :

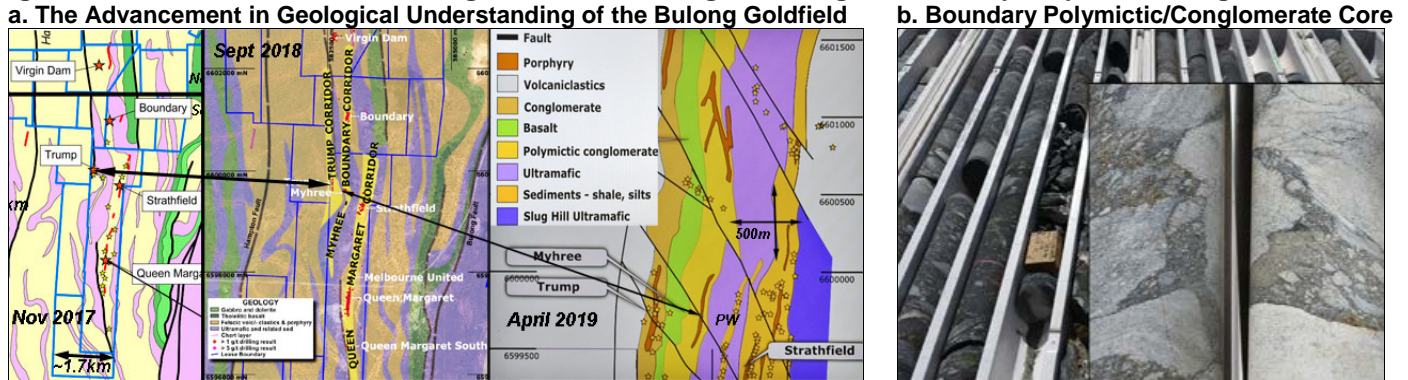
- **BC8 has a major advantage in a region that has many operating plants, that are full *unless*: there is reasonable grade (ideally >2 to 2.5g/t), high >92% recovery, easily accessible, near surface oxide mineral feed – all of which **the Bulong Goldfield has** with its surfaced road access adjacent to Kalgoorlie, and oxide depth of ~50m to 70m at Myhree and Boundary, & recovery ~93% to 99%.**
- **Black Cat has subdivided its Bulong goldfield into 3 gold camps being** (in Figure 1a): Kanowna Belle (KB) Lookalike, Woodline, and Queen Margaret (QM), of which the current focus is on the southern end of the KB Lookalike/northern end of QM gold camps that cover Boundary to Myhree.
- **With ~50koz identified at Myhree in the ~4 to 6 parallel NS striking** almost vertical lodes in the designed pit as reported in February 2019 (486kt @ 3.2g/t), drilling is understandably focusing on depth extensions below the planned ~130m deep pit, plus possible extensions (north and south), with recent (29 April 2019) **northerly intersections of 9m @ 6.6g/t, 10m @ 7.6g/t & 10m @ 4.2g/t.**
- **A number of targets south of Boundary through the application of SAM and geochem,** have been identified in the ~600 to 800m gap (shown in Figure 1b), between Boundary and Myhree, and there is ongoing exploration of these ~NNE/SSW parallel targets.
- **The small diamond drilling (DD) programme identified a polymictic (sedimentary) conglomerate** host for the mostly quartz vein-style mineralisation in the Bulong Goldfield, and green fuchsite alteration signatures comparable to Kanowna Belle's host rocks, plus the deeper depth of oxidation, and a basaltic unit which has resulted in a revised geological plan (shown in Figure 2a).
- **The DD programme inferred that MU may have been a hangingwall lode of QM,** and not the offset extension of QM, as there are double-digit intercepts of 13.4g/t & 12.5g/t etc in the footwall of MU. So the extension of QM may still remain unmined in MU's footwall – requiring further work.
- **Although Virgin Dam, Anomaly 38 and Woodline are still on the “radar screen”, PW** (east of Myhree as shown in Figure 2a) has understandably come under further review.

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Corporate Summary

Since our last report of 17 September 2018, BC8 has mostly traded sideways between ~12.5c and 22.5c, falling from 22c in mid-October to a low of 12.5c in mid-December, then rising to 24.5c in early March 2019, before drifting back to ~18c in April 2019, but then recovering to ~20.5c on the encouraging Myhree drillhole intersections reported on 29 April 2019. Since September 2018, the only capital raising has been the recent early May 2019 raising of 12.5m shares @ 20c for \$2.5m, resulting in **69.8m fpo shares** (post placement) in issue (of which 17.2m are escrowed to 17 Jan 2020). There are also **17.9m options** that are currently in-the-money mostly (17.5m) with an exercise price of 20c by 17 January 2023. *No board changes have occurred since the IPO listing in November 2017.*

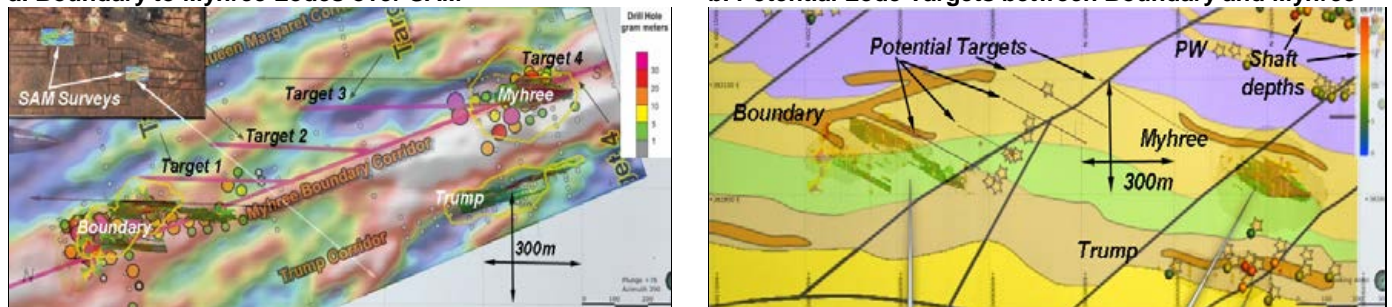
Figure 2. The Advancement in Geological Understanding at Bulong, & Boundary Polymictic/Conglom Core



Geology

A brief history of the Bulong goldfield was included in ERA's IPO report of November 2017 (available at : <http://www.eagleres.com.au/reports/item/nov-2017-black-cat-syndicate>), together with some geological plans (which were a material improvement on the plans still available in the WA Government's Geoview of mostly ultramafic at Bulong), and sections from Spargos' (SPG's) 1979AR. In ERAs September 2018 report, the actual geology underwent a significant re-interpretation into **3 main N/S striking mineralised corridors** being : Queen Margaret, Boundary & Trump, that are all open north and south on strike. Since then, with the diamond drilling, another significant transformation has occurred resulting in the current geological plan shown in Figure 2a, due partly to the conglomerates shown in Figure 2b, and the application of SAM (Sub-Audio-Magnetic) surveys.

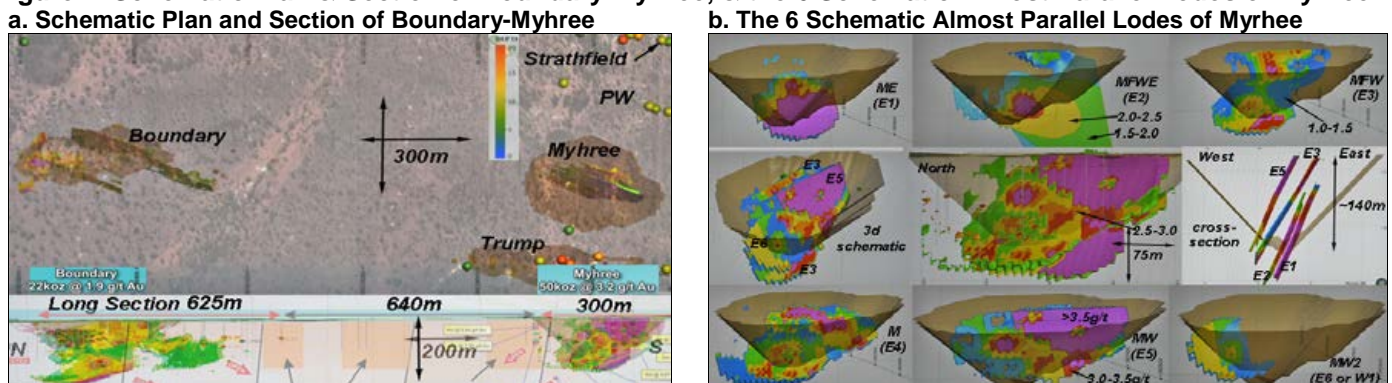
Figure 3. Boundary to Myhree Lodes over SAM, and Potential Lode Targets between Boundary and Myhree



Myhree-Boundary (& Trump)

Black Cat conducted 2 SAM surveys (which fortunately now at ~\$35k each, only cost ~25% of their original price), namely one over Myhree-Boundary and one over the Anomaly 38/WoodlineArea. The result of the Myhree-Boundary SAM survey is shown in Fig 3a, together with its potential 3 or 4 lode targets (also based on geochem) in Figure 3b. Figure 3b also shows *utilising the depths of all the old shafts to identify structures.*

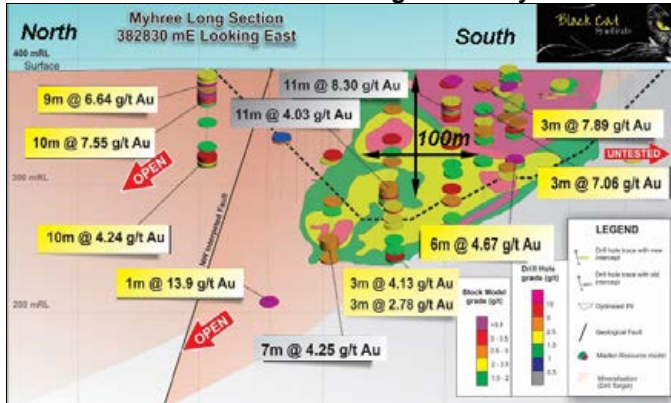
Figure 4. Schematic Plan & Section of Boundary-Myhree, & the 6 Schematic Almost Parallel Lodes of Myhree



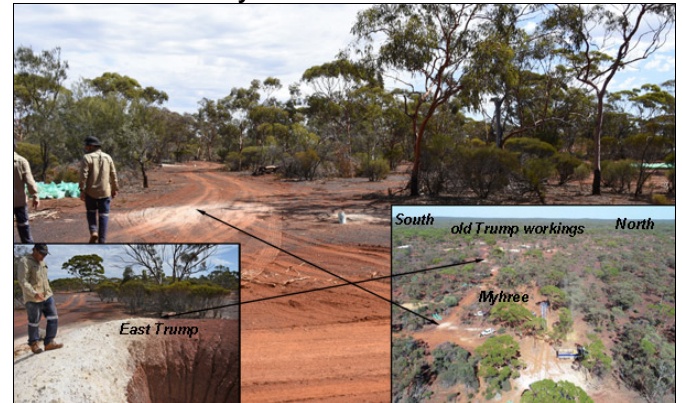
As shown in Figure 4a, there is little historical drilling between Boundary and Myhree, and very few old workings. At Myhree, ~6 almost parallel stacked lodes have been identified as shown in Fig 4b (ERA has numbered them 1 to 6 from E to W), and exploration was in progress in April 2019 for depth (the designed pit depth being ~130m) and strike extensions, with the recent (29 April 2019) intersections in Figure 5a of **9m @ 6.64g/t, 10m @ 7.55g/t & 10m @ 4.2g/t** extending Myhree further north. Visually, the Myhree area is shown in Figure 5b, with the nearby Trump (east of Myhree) easily identified by its white mullock dumps.

Figure 5. Cross-Section 382 830E Looking East at Myhree, and Some Views of Myhree

a. Cross-Section 382 830E Looking East at Myhree



b. Some Views of Myhree



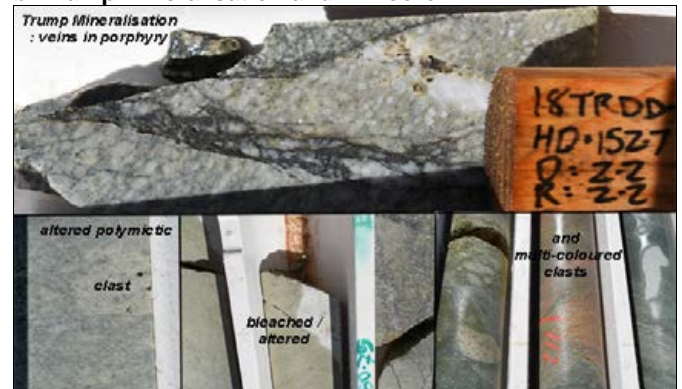
Myhree was not diamond drilled when the rig was on-site (as it was then not a main target) so its mineralisation is currently only visible in RC chips as shown in Figure 6a. There only seemed to be a couple of shallow shafts at Myhree that had mined under the laterite cover & also taking the occasional quartz vein. The easternmost side of **Trump** is identified by a shaft rock-dump that is altered white at its southern end, with brown laterite at its northern end. (Trumps' rock dumps are white due to its extremely altered polymictic conglomerate host in which the clasts can be seen in the mostly white drill core, while the mineralisation appears to be associated with veins & sulphide in porphyry [as shown in Figure 6b]). More work was expected to occur at Trump, although the current **main focus** was increasing the Boundary-Myhree resource, with a **view to the open-pit mining of Myhree**.

Figure 6. Myhree RC drillhole (18MYRC019) : 11m @ 4.03g/t, and Trump Mineralisation and Drillcore

a. Old Shaft at Myhree and RC drillhole : 11m @ 4.0g/t



b. Trump Mineralisation and Drillcore



As illustrated in its February 2019 resource of 358kt @ 1.9g/t for 22koz, and as shown in Figure 4a, **Boundary appears to have** (ERA view so far) **overall lower grade** than Myhree and consists of a sequence of NNE/SSW striking parallel lodes extending south to Myhree. Comparisons have been drawn with "Kanowna Belle Style" in the area shown in Figure 1a, due to the host rock package encountered as shown in Figure 7a that includes quartz veining, carbonate, sericite, fuchsite, biotite in felsic porphyry (seen in one of the few outcrops), and sulphides, apart from the polymictic conglomerate, mafic and ultramafic rocks.

Figure 7. Assorted Boundary Drill Core, and Some Views of the PW Area

a. Assorted Boundary Drill Core



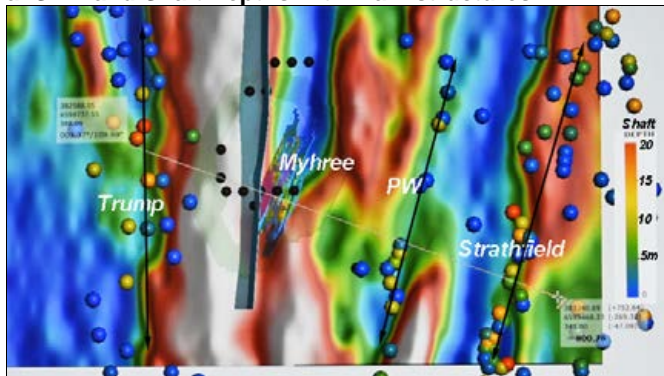
b. Some Views of the PW Area



With the focus on Myhree-Boundary, there has been increased interest in the NNE/SSW striking **PW mineralised structure** that lies in ultramafic to the east between Myhree and Strathfield as shown located in Figures 2a, 3b, 4a and by shaft depth and SAM in Figure 8a. Initial drilling at PW was inconclusive / relatively low grade, but some reasonably extensive old workings appear significant as shown in Figure 7b, and further follow-up drilling was under consideration especially with PWs relative proximity to Myhree.

Figure 8. SAM and Shaft Depths with main structures, and Views of the Strathfield Goldfield

a. SAM and Shaft Depths with main structures



b. Views of the Strathfield Goldfield



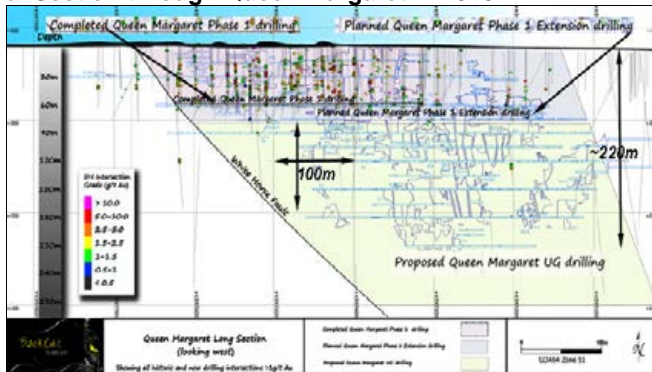
Further east of PW is **Strathfield** in a porphyry and on the same trend as Queen Margaret. Strathfield had deeper workings as illustrated by the old shaft depths in Figure 8a, and the heights of the old dumps in Figure 8b. Some encouraging intersections have been made at Strathfield, but it is not the current area of focus.

Queen Margaret - Melbourne United

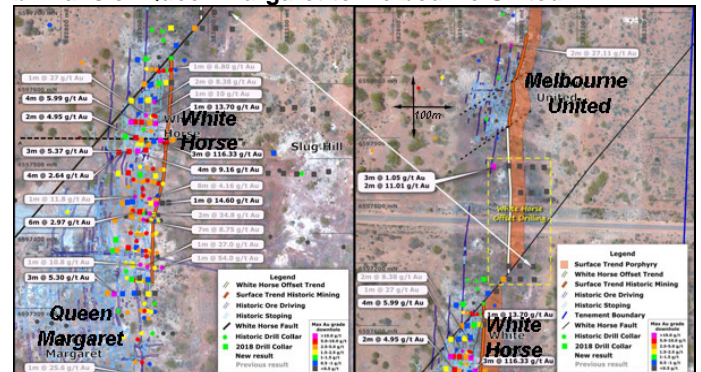
While drilling verified BC8s interpretation of the White Horse fault offset as a normal fault as shown by BC8 in May 2018 in Figure 9b, the diamond drilling programme has highlighted the presence of a potentially richer grade lode in the footwall of Melbourne United.

Figure 9. Section through Queen Margaret in 2018, and Plans of Queen Margaret to Melbourne United

a. Section through Queen Margaret in 2018



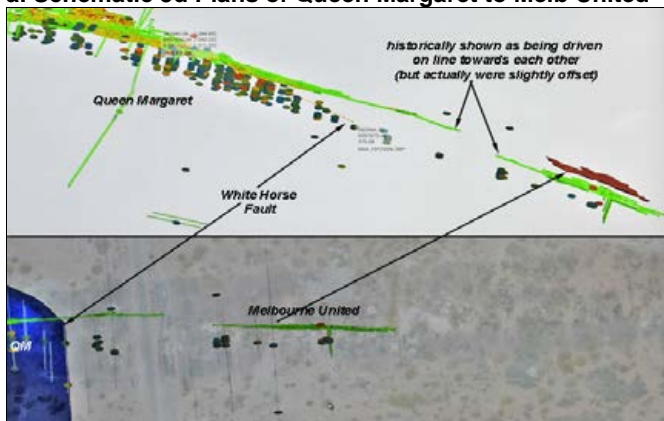
b. Plans of Queen Margaret to Melbourne United



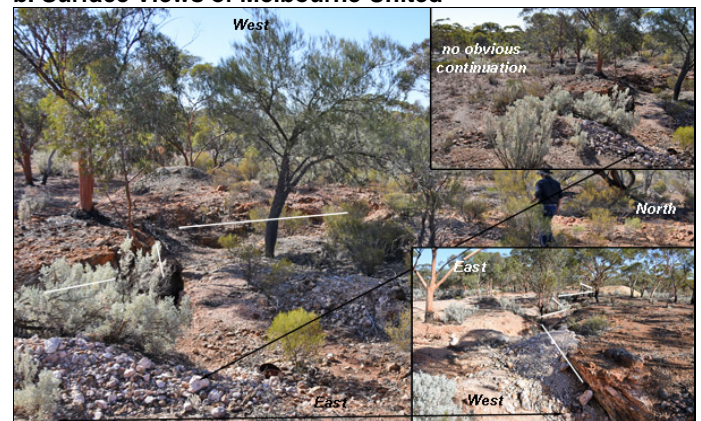
To recap (historically) as shown in Figure 9a, Queen Margaret (QM) and (going north) White Horse, were truncated / offset east by the White Horse fault, with the offset becoming Melbourne United (MU), but the historical workings on MU are both shallower and significantly less when compared to QM.

Figure 10. Schematic 3d Plans of Queen Margaret to Melbourne United, and Surface Views of Melb United

a. Schematic 3d Plans of Queen Margaret to Melb United

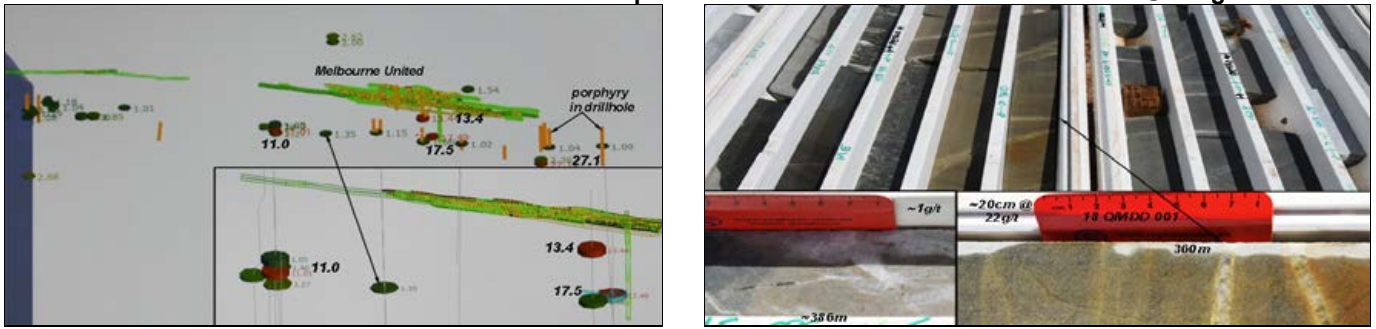


b. Surface Views of Melbourne United



MU was assumed to be the offset of the higher grade QM, and a historical underground drive was driven between QM and MU, but with little success (and actually the drives on re-digitisation have been shown to be slightly out of alignment). The White Horse normal fault offset complies with the surface workings of MU as shown in Figure 10b (stepping north and then west).

Figure 11. 3d Schematic of Melbourne United and some intercepts, Drillhole 18QMDD001 & ~20cm @ ~22g/t
 a. 3d Schematic of Melbourne United with some intercepts b. Drillhole 18QMDD001 and ~20cm @ ~22g/t



It can be seen in Figures 9b and 10b that the workings on MU were significantly smaller than QM, and it is possible that the offset was greater than was assumed. The intersections show relatively high 13.4g/t & 12.5g/t grade intercepts in the FW of MU suggesting that the actual MU mined may have been on a lower grade HW lode of QM, and the actual QM extension is in the FW of MU, as illustrated by the grade intercepts shown in Figure 11a, and also seen in drill core in Figure 11b. *Theoretically an unmined lode could exist in the footwall, requiring further work on the re-interpretation. However, the main focus is currently on Myhree.*

Other Prospects

ERA re-visited some of the other prospects that have been reviewed since ERAs last (September 2018) report, being Virgin Dam, Woodline and Anomaly 38.

Virgin Dam

The Virgin Dam area is ~1.5km north of Boundary, and as shown in Figures 1a and 2a lies in the northern tenements. There is a natural break at Virgin Dam due to an EW breakaway ridge that causes the rivers in the south to drain south and those in the north to drain north. However, although there is no material change in surface profile (as in it is still fairly flat), the depth of cover increases going north, which is possibly why there are fewer old workings and perhaps even why the lines of shallow drilling shown in Figure 12a were unsuccessful (apart from Virgin Dam – which was originally based on a geochem anomaly).

Figure 12. Geological Plan and 3d Schematic of Virgin Dam to Myhree, and Virgin Dam Views and Specimen
 a. Geological Plan and 3d Schematic of Virgin Dam to Myhree b. Virgin Dam Views and Specimen

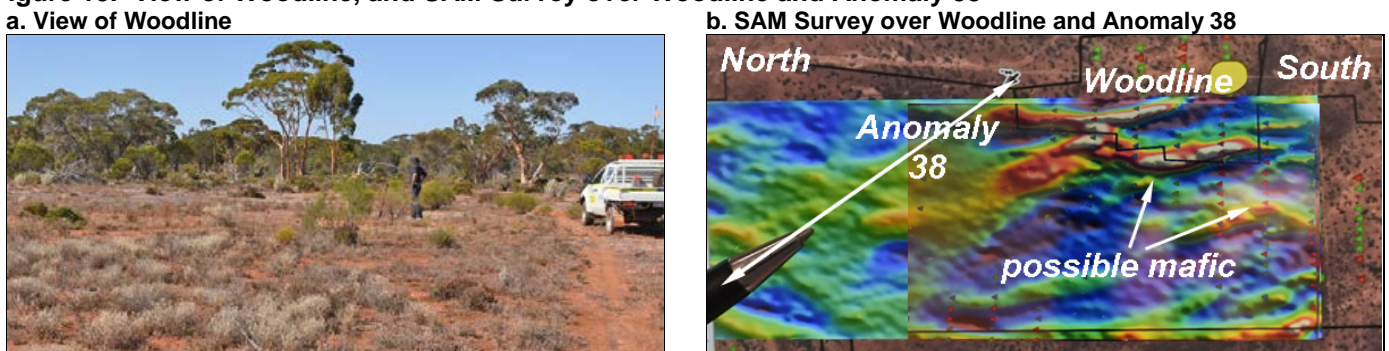


Figure 12b includes a specimen of sulphide and veins in basalt that was lying in the area. There appears to be very little surface outcrop, apart from the felsic porphyry (~9km further north) containing visible biotite flakes (apparently characteristic of Kanowna Belle's sequence).

Woodline and Anomaly 38

Woodline and Anomaly 38 were the location of the other SAM survey shown inset in Figure 3a. **Woodline** gained its notoriety due to a ~800 man historic gold rush that followed when a ~3oz gold nugget was found in the roots of a tree while cutting a woodline to the goldfield (woodlines were small railways that carried wood from afar to the goldfields for use as timber fuel or prop support in shafts and underground – and their remnants are periodically seen).

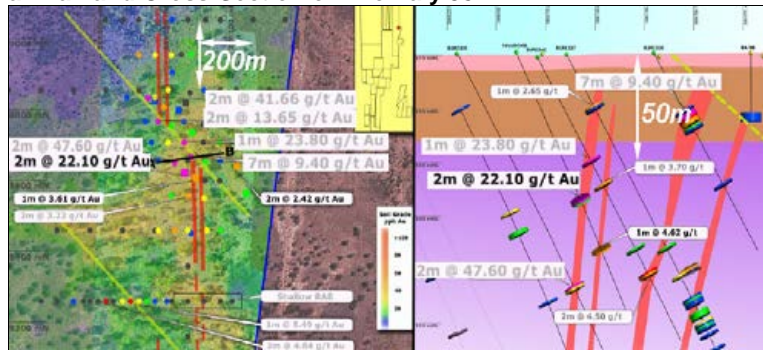
Figure 13. View of Woodline, and SAM Survey over Woodline and Anomaly 38



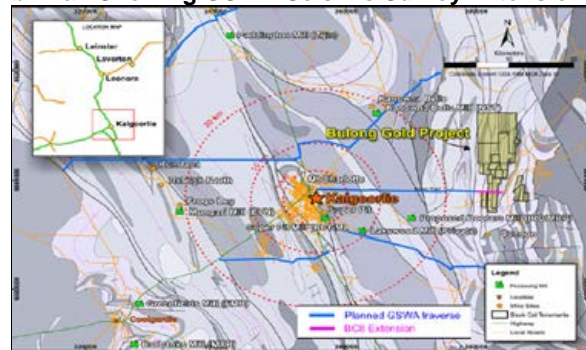
Reputedly some 100oz gold nuggets or slugs were discovered in the rush. However, almost any sign of what was there at Woodline has been obliterated by the widespread, extensive excavator, prospector pushing over many years as shown in Figure 13a. Some fairly deep costeaning was undertaken NS and EW on a nearby hill to the east, which (ERA view) did not appear to show anything, and there is a shallow old working in some laterite near the summit of that hill – which also appears to have been fruitless.

Figure 14. Plan and Cross-Section of Anomaly 38, and Plan Showing GSWA Seismic Survey Extension

a. Plan and Cross-Section of Anomaly 38



b. Plan Showing GSWA Seismic Survey Extension



The SAM survey as shown in Figure 13b, highlights NW/SE structures at **Anomaly 38**, and although there have been some extremely encouraging intercepts such as **2m @ 22.1g/t, 2m @ 47.6g/t, 2m @ 13.7g/t, 2m @ 41.7g/t, 1m @ 23.8g/t & 7m @ 9.4g/t**, as reported in November 2018 and shown in Figure 14a, they appear to be associated with those NW/SE structures with relatively minor intercepts north and south. When combined with a relatively thick clayey cover sequence, Anomaly 38 remains a future prospect.

Other – GSWA Seismic Survey

BC8 has a huge advantage lying adjacent to Kalgoorlie and connected by a surfaced road as shown in Figure 14b, resulting in them being able to extend a GSWA seismic survey across the southern tenements.

Financial Considerations

In its MQ2019 quarterly, Black Cat reported that it had cash and cash equivalents of ~\$1.2m, and has been spending ~\$0.6m to \$0.9m per quarter (based on the financial report). Its admin, staff and corporate expenses (included in the quarterly expenses) are fairly low as can be seen in its 2018 AR and the expense of ~\$0.6m for the 9 months to March 2019. The recent raising of an additional \$2.5m could provide BC8 with sufficient cash to March or June 2020. Current cash as at May 2019 could be ~\$3.5m.

Exploration Upside

It is often said that the characteristics of a great goldfield are to have mineralisation in a variety of host rocks, which the Bulong goldfield increasingly has, as it has gradually re-interpreted the geology. There are numerous targets, and a number of historic prospects that were classified as goldfields in their day, let alone the palaeochannels, or Strathfield and Wakeful. **However, BC8 has initially focused on increasing its resources at Myhree – Boundary, with a view to having an open-cut at Myhree.**

As reported in the March 2019 quarterly, **Myhree’s mineralised plunge has increased by 40% to ~210m** (and subsequently on 29 April to a **100% increase** with the shallow mineralisation thicker, going north), & the mineralised strike lengths have increased by: 15% to ~625m at Boundary, & 33% to ~400m at Trump.

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	Non-Exec Director :	Alex Hewlett		Twitter/Facebook :	@blackcatsyn8
Mkt Cap	A\$14.3m (at 20.5c)		Tel :	+61 (0) 458 007 713	
Cash (est May 19)	~A\$3.5m		Website :	www.blackcatsyndicate.com.au	



Disclosure
 Black Cat Syndicate Limited commissioned Keith Goode (who is a Financial Services Representative with State One Stockbroking Ltd ACN 092 989 083 and is a consultant with Eagle Research Advisory Pty Ltd ACN 098 051 677) to compile this report, for which Eagle Research Advisory Pty Ltd has received a consultancy fee. At the date of this report Keith Goode and his associates held interests (KG-90k, KSSuper ~200k) in shares issued by Black Cat Syndicate Limited. At the date of this report, State One Stockbroking Limited or their associates within the meaning of the Corporations Act, may hold interests in shares issued by Black Cat Syndicate Limited.

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